

**MINUTES OF THE MEETING OF
THE PARTNERSHIPS AND LIMITED LIABILITY COMPANIES COMMITTEE
OF THE BUSINESS LAW SECTION OF THE CALIFORNIA STATE BAR**

January 10, 2008

Eric Sternberger, Chair of the Committee, called the meeting to order at approximately 10:00 a.m. Members present were Charles McKee, Vice Chair, Ron Wargo, Secretary, John Spomer, Ben Kwan, Jessica Karner, Keith Sutton, David Riley, Phil Jelsma, and Endy Uhoka-Ajike. Also present by invitation of the Chair were Allan Duboff, Executive Committee Liaison and Sharon Flannigan, Corporate Committee Liaison.

I. Administrative Matters

A. Minutes. The Minutes for the December 10, 2007 meeting were reviewed and approved without change.

B. Business Law News Update Article. Eric Sternberger recognized the efforts of Charles McKee in drafting an article for the Business Law News about the LLC gross receipts fee. He also extended thanks to Keith Sutton and John Spomer for reviewing the article.

C. Membership. Eric Sternberger requested that Committee members recruit authors for articles and the upcoming Guide to Forming and Operating a Limited Partnership in California.

D. Annual Meeting. Eric Sternberger noted that Committee submissions to the State Bar for presentations at the 2008 Annual Meeting are due January 24, 2008. Phil Jelsma indicated that he would be doing a presentation on ReRULPA. David Riley discussed a few ideas, and it was decided after general discussion that he prepare a presentation regarding Series LLCs. David may also produce a Webinar about LLC's and partnerships in the investment fund arena.

E. BLS Committee Liaisons.

1. Allan Duboff noted that the Committee's request for access to the "Hummingbird" online editing software is being considered by the Executive Committee, but that no decision has been reached.

2. Legislative Liaison Phil Jelsma stated there was nothing new to report.

3. Corporations Committee Liaison Sharon Flannigan introduced herself. She also discussed draft regulations regarding names of new entities, and informed the Committee that the Secretary of State was considering comments to the regulations. Eric Sternberger and Phil Jelsma believed that the Committee had already submitted comments. Sharon gauged Committee interest in a selection of entity Webinar presented jointly by the Committee and the Corporations Committee for the State Bar, and received a favorable response.

II. Subcommittee Reports

A. Publications Subcommittee. John Spomer, Keith Sutton, and Eric Sternberger reviewed several articles submitted by Edward Gartenberg. The Committee discussed the current applicability of the articles, and approved two of Mr. Gartenberg's articles, *Walking the Ethical Line* and *Understanding the World of Minority Rights and Fiduciary Obligations*.

B. Guide to Limited Partnerships. Authors Ronald Wargo, Phil Jelsma, and David Riley updated the Committee regarding their respective sections. Allan Duboff reminded the Committee to be conscious of copyright issues, since there were some questions regarding copyright in relation to the Corporation and LLC Guides.

C. Webpage Subcommittee. Charles McKee transferred the chairmanship of this subcommittee to Ron Wargo. Further discussions regarding the transfer were to take place offline.

III. Developments/Practice Issues

David Riley discussed some recent developments relating to unrelated business income for charities, particularly with respect to debt financing. Apparently, debt financing for charities may cause adverse tax consequences, pursuant to a recent Wisconsin case.

IV. General Committee Information

Endy Uhoka-Ajike volunteered for general Committee assignments, and Eric Sternberger promised to accommodate this request.

There being no further business to come before the Committee, the Chair declared the meeting adjourned at approximately 10:47 a.m.